



## Europe 2020: A Question of Credibility

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**A**s anticipated, at its spring meeting of March 25-26 the European Council agreed the main features of the « Europe 2020 strategy for jobs and growth» designed by the European Commission as a successor to the Lisbon Strategy of the past decade (Communication of 3/3/2010, “Europe 2020, a strategy for smart, sustainable and inclusive growth”).

While the definition of further elements of the new strategy remains in progress for formal approval at the June 2010 meeting of the European Council, enough is already on the table to make a first assessment in light of the Commission’s Communication, which provides the background narrative for the European Council’s conclusions on the subject.

Such an assessment maybe summarized in two sentences. In spite of (thin) appearances, “Europe 2020” looks very much like the Lisbon strategy it is supposed to replace. Within this disappointing continuity, a few improvements deserve notice, but their actual impact will likely remain marginal.

Perhaps the rebranding says it all: from the “Lisbon strategy for growth and jobs” to “the Europe 2020 strategy for jobs and growth”, the change appears more nominal than real. Some of the vocabulary (“headline targets”, “flagship initiatives”...) may be new, but the general inspiration, substance and methodology of the 10-year old and moderately successful Lisbon strategy remain unchanged.

The triple objective of a smart, sustainable and socially inclusive growth characterized Lisbon from the outset, which is not a flaw in itself as these goals remain pertinent. However, the failure of the Lisbon strategy’s methodology and bureaucratic machinery to deliver the targeted objectives well before the global crisis hit should have triggered a major rethinking and overhaul of the design, governance and implementation of the strategy,

and its transformation into a more ambitious and integrated European strategy for globalization.

Since then, the global crisis, its lasting effects on employment, public finances and cohesion within the EU, as well as what it has revealed about the lack of European instruments – except for a federal institution like the ECB – to manage such massive shocks have made the case of the inadequacy of a Lisbon – type, non binding intergovernmental coordination process even more compelling.

This is recognized in the introductory sections of the Commission’s Communication, where a new sense of urgency and fear of downgrading have appropriately replaced the pre-crisis complacency about Lisbon, and collective action at the EU level is highlighted as the key to success. Yet, the “new strategy” put forward to confront the multiple challenges facing Europe falls far short of expectations and needs.

The open method of coordination is still the underlying methodology, integrated guidelines and national reform programs - known to insiders only - remain the key instruments, and the Commission continues to view its role as primarily incitative vis a vis the Member states, rather than in the driver’s seat in respect of a strengthened Community dimension and a stronger governance of the new strategy.

Within this disappointing continuity, a few improvements may be noted, such as:

- the streamlining of objectives and integrated guidelines,
- the stronger focus on higher education,
- the national tailoring of general EU objectives,
- the clearer allocation of responsibility between the Member states and the Commission,

- the improved linkage between the Lisbon apparatus and the EU common policies and instruments, and
- the closer involvement of the European Council in the monitoring of the strategy.

Further, the conclusions of the European Council rightly stress that “all common policies (...) will need to support the strategy”, and that “the strategy will include a strong external dimension, to ensure that EU instruments and policies are deployed to promote our interests and positions on the global scene through participation in open and fair markets worldwide”.

However, in the current economic and political condition in Europe, these marginal improvements are unlikely to make a difference. The Commission failed to raise the key questions: what will be the driver of European growth post-crisis? Where will its financing come from in the current state of public finances?

It may have been more useful for the Commission to join most European think tanks in publicly drawing the lessons of Lisbon’s shortcomings and those of the crisis, in order to confront the Member states with their responsibilities (and contradictions) in terms of political will and European ambition.

The Lisbon strategy, which pretended to make Europe “the most competitive knowledge - based economy in the world” by 2010, lacked credibility for being overly ambitious. Its 2010 remake risks being even less credible for the opposite reason.

*With the support of the European Commission*

